GENERAL DISCUSSION OF THE BUDGET.

PRESIDENT: The next business is the general discussion of the Budget. For this, in order that as many members as possible may speak, I have fixed the time limit of fifteen minutes. The House will rise at half past four.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Sir, I congratulate the Financial Secretary for having presented a well-balanced budget. But I cannot refrain from observing, however, that in certain matters and in regard to the economic depression that prevails at present, the Government have not been sympathetic to people as they ought to be. (*Louder, please*). In the first place, there is the question of land revenue. Of the principal heads of revenue that which affects the people and the land-holders directly is the land revenue. Repeated representations have been made to the Government for a remission of land revenue from time to time. In spite of that, we find that in the budget no provision has been made for remission. The revised budget estimate for 1108 shows that Government expect to realise only about Rs. 4 lakhs less than the amount originally estimated. The number of demand notices, attachment notices and other distraint processes have been referred to in the *Administration Report*. That shows that as a matter of fact people do really find it difficult to pay. It seems to me that it is no longer a question of unwillingness to pay, but it is a question of inability. I think the law of diminishing returns has begun to apply in the case of land revenue. Under such circumstances, I submit that the Government ought to make some provision for reduction of at least 25 per cent. of the land revenue. That was done in Madras. (*A little louder, please*). With this indifference to give any sort of remission in land revenue, we find that the cost of administration continues to be as heavy as it had been before. A Retrenchment Committee, a very able and efficient committee, presided over by no less a person than the Chief Secretary himself, recommended a temporary cut in salaries to the extent of Rs. 2 and odd lakhs and a permanent reduction of Rs. 4 and odd lakhs. Altogether the total reduction recommended would amount to Rs. seven lakhs. The recommendation for temporary cut was not accepted; and the other is only under consideration. In British India, where the same conditions prevail, temporary cuts are in force and the Madras Government have now also introduced certain schemes for reduced and revised scales of salaries with regard to the provincial services. In Travancore alone, we find that nothing has been done. Along with this indifference to reduce the cost of civil administration, we find that the cost is going up because of the importation, if I may say so, of foreign talent into the administration which is totally unacquainted with local conditions and local habits. We find that recently some appointments have been announced of non-Travancoreans. It may be that they are persons very eminent in their line. But one or two facts have to be noted in this connection. One fact is that the

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cost of administration increases by bringing those persons into Travancore. It is certainly much more than the cost of keeping Travancoreans in those appointments. We cannot say that there will be increase in efficiency either ; because, when Travancoreans had been in charge of those Departments before, efficiency had not in any way gone down. At any rate national wealth goes out of the country. That should not be forgotten. The cry everywhere in India is Indianisation. Why in Travancore alone should a system be adopted by which non-Travancoreans are appointed as Heads of Departments, by which the cost of administration is increased, and by which a spirit of discontent is introduced in the services causing much heart-burning to the sons of the soil ?

Another aspect of the matter which I desire to refer to, Sir, is this. I find that there is provision in the budget for superfluous and ornamental expenditure for various matters. In public as well as in private expenditure, we broadly classify the expenditure into the necessary, the useful, the superfluous or ornamental, according to the necessities, decencies and luxuries of individual consumption. Viewed from this point of view, the provision for a Game Warden under the Forest Department, the provision for opening Sales Depots at Ootacamund and the maintenance of an apicultural expert seem to be superfluous and are merely ornamental appointments. When we look at these from the receipts side of the Budget, there are no receipts under these heads. In a rich country like the United States or England, where there is a large surplus, it may be possible to keep up these appointments. But in a country like Travancore with a lean public purse, these appointments seem to be quite superfluous. Take the Pallivasal Hydro-Electric Scheme. We find that about seventy lakhs of rupees are proposed to be spent immediately, and not in stages as was originally intended, and the whole work has been sanctioned. The original estimate seems to have begun with Rs. 39 lakhs. It then went up to Rs. 59 lakhs and now it has come to Rs. 70 lakhs. The original estimate also contemplated an extension by stages, so much so it could be made to pay its way as it developed. I do not know how Government are going to find out all this money, unless it be by the issue of a loan. Unless Government assure us that it is going to be a very remunerative concern, we will not sanction it. But Government have been making such assurance in the case of all capital works. This morning, the member in charge of the P. W. D. was saying in answer to certain questions "No funds". This was the answer he gave to question No. 1, and question No. 2 (*b*). He also admitted in his answer to the question of Mr. Padmanabha Menon that, although about 50,000 people congregated annually in a certain place, a road could not be constructed to reach that place, due to want of funds. But we find that Government have sanctioned funds to the extent of Rs. 70 lakhs for the Pallivasal Hydro-Electric Scheme for which certainly

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[Mr. R. Sambasiva Aiyar.]

there is no present need. We do not know whether it will be remunerative in the future. In the meanwhile, we hear cries for roads, dispensaries and schools in the mofussil. People in the country-side are without good roads, rural dispensaries and proper schools. I find that there is provision in the Budget for town-planning scheme, experimental roads and costly structures in the town of Trivandrum. At the same time, want of funds is pleaded for very necessary activities in the mofussil. If the Government can find funds for these costly schemes, I wonder why a portion of that fund cannot be diverted for such necessary items as mofussil improvement. I will just quote one or two instances. There is a small town called Angamali in the Kunnatnad taluk. That is a place where there is a Sub-Registry Office, a Police Station and some schools. There are about 50,000 people living in and about Angamali. They have been crying for a hospital. The Government have not yet opened a hospital there. The closest hospital, Sir, is at Alwaye about 7 miles off and two ferries have to be crossed to reach that hospital. It is very difficult to cross the Periyar during floods. Even now Government have not found funds for opening a proper hospital there. I would refer to one road in Cheranallur *pakuthi*. The people of Cheranallur are generally farmers who have got as cottage industry *eata* mat-weaving. If a proper cart road from Thannipuzha to Kodanad can be opened, they would be able to sell their products at a higher price. Government, for want of funds, have not opened a cart road there. I refer to these things just to show that mofussil needs are forgotten and costly schemes such as town-planning and such other matters are taken in hand. In the budget, provision has been made for ornamental and costly schemes. My submission to you, Sir, is that greater attention should be paid to the improvement of village roads, and also to the construction of village hospitals so that medical aid should be free and accessible to every one in the mofussil. This is all what I have to submit about the Budget. In other respects, I should congratulate the Financial Secretary for bringing forward a well-balanced budget during this time of economic depression.

MR. K. R. ELENKATH (*Kalkulam I*) : Sir, let me tell you at the outset that I cannot congratulate the Financial Secretary for presenting a surplus budget before the House. Before I proceed, I will just show the reasons why it is not a surplus budget. Out of the different sources of income anticipated, the Financial Secretary does not see that certain items are not really what we can legitimately anticipate them to be. For example, I will quote two instances. One is under the head of Customs and the other is under the head of Forests. With regard to Customs, generally all financiers will think it safer to expect less than what they could actually realise. Sir Robert Horne, Ex-Chancellor of Exchequer in England ten years ago, made the following statement with reference to Customs and Excise :—

> "A decrease of revenue under these two heads must be estimated for the savings of the people are gradually getting exhausted and the spending power curtailed."

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These observations made a decade ago apply with greater force today. I think when there is good producing capacity in the people and when the earning capacity of the people has increased, then and then only can we expect a little increase in the item of Customs. But we know our conditions are quite the reverse now. Then, under the head 'Forests', the Financial Secretary anticipates a surplus of Rs. 50,000; and it is strange to find that in the preceding sentence in the Financial Secretary's budget speech, he says that the timber market is very dull owing to the economic depression. Sir, how can these two statements be consistent with one another? Anyhow he admits that the timber market is very dull. In that case, he ought to expect a decrease. But he has been anticipating Rs. 50 000 more. Now unless some providential interference comes in, he cannot naturally hope to get the anticipated income. So when we add up these two items, it comes to Rs. 1,56,000. The surplus estimate is Rs. 79,000. So I would say that what we really have is a deficit budget.

Then there is another forecast under capital expenditure also. He states that Rs. 17,58,000 is to be spent from the accumulated surplus of the previous years. When we add the deficit of Rs. 77,000 together, we will get the figure of Rs. 18,35,000 as the net deficit. This is the financial position in which we are today.

Now coming to the expenditure side, we find that very many items could be safely avoided. It seems to me that the expenditure side is a list of wastages, and, in saying so, I am not exaggerating facts. Sir, we have here a costly and well-staffed Public Works Department. But for works like the Pallivasal Hydro-Electric Scheme, we get experts from outside on very high salary. So also we have a good staff and experts in the General Hospital. But even for minor operations we have to get the aid of medical men outside the Government department. Again with regard to our students, they are not admitted to the Engineering College and the Medical College at Madras or the Engineering College at Benares unless we give an annual subsidy or contribution. Sir, when we have here great facilities for opening Engineering and Medical Colleges with very little additional expense, why should we contribute large sums annually? When we spend large amounts for capital and other investments in other directions, why not we spend some money for these also? Then with regard to other items, there is a big wastage in the Excise Department. The Commissioner says :—

> "The smuggling of dutiable articles especially tobacco and beedi tobacco has, of late, been on the increase in the northern frontier of the State and the revenue from tobacco is adversely affected thereby. A special staff was therefore appointed about the middle of this year to successfully combat the smuggling operations."

Sir, for that also we have to provide a special staff. Whenever we have to get efficiency we have to resort to special allotments in the departments. I am surprised, Sir, and am constrained to ask : where is the efficiency that we so much talk of? If efficiency could be measured by the amount of money paid to our big officers, then I think that Travancore is the most efficiently administered state in the whole world,

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[Mr. K. R. Elenkath.]

Sir, one more thing I should like to bring to your notice. As my predecessor has told you, these big official emoluments ought to be certainly cut down because they must be somewhat in keeping with the condition of the people at large and the resources of the country. The condition of the ryots is very deplorable and it has never reached such a stage as it has today. The ordinary cultivator of an acre of land, as admitted by the Economic Depression Enquiry Committee, only has a net profit of Rs. 20 per annum. Accordingly after deducting all the expenses and paying taxes, he gets Re. 1 and chs. 18 and odd per mensem. Look at the sad plight of the cultivator. To speak particularly of South Travancore, I should think that it is the most heavily taxed portion not only in the whole State but in the whole of India. On looking into the statistics of some of the taluks in this State and some of the Districts in the Madras Presidency, I find that the Tinnevelly District, which possesses very large fields having greater yielding capacity, pay only Rs. 9 ch. 1 cash 9 per acre of land. But when we come to South Travancore, the taluks of Tovala, Agasteeswaram and Kalkulam pay an average land tax of Rs. 16 chs. 27 cash 12. Sir, the maximum rate of tax in South Travancore is nearly Rs. 25 per acre. This is a situation which the ryots cannot bear with any kind of tolerance. Sir, as I said, there are many wastages in the country and especially in this budget I find that the Government have allotted an amount for carrying on a new department to which my friend Mr. Krishna Pillai referred this morning. That is for the up-keep of wild animals or say for protection of game under a warden. Sir, when the poor villagers in the country are starving or struggling hard for one meal a day, are we to revel and get down fashionable methods of living in this country? Before any such extravagant reforms are thought of, these conditions have to be borne in mind.

Then, Sir, as my predecessor pointed out, our administration is a top-heavy one; I very much doubt whether the State exists for the services or the services for the State. One main reason for these extravagant expenses is, I should think, the importation of foreigners into Travancore service. With regard to this, Sir, one of your predecessors, Dewan Nanu Pillai wrote to Mr. A. Sankara Aiyar, the then Dewan Peishkar of Cochin, 54 years ago thus :—

> "I hope that you will agree with me when I say that if we have lawful heirs we need make no adoption. If a State has sons able enough to look after her wants as, if not better than, foreigners why should she invite outsiders to be pampered at her table of plenty and allow her children to gather crumbs scattered under it?"

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): May I know whether it is a published letter?

MR. K. R. ELENKATH (*Kalkulam* I): It is a letter a copy of which I have.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If it has not been published, it is merely a private document, and I object to any reference being made to it here.

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MR. K. R. ELENKATH (*Kalkulam I*) : I have published it in a book and I have the copy-right. The letter continues—

> "You will see that the former cannot have that patriotic regard for the State, that deep veneration and love towards the sovereign which naturally pervades the thoughts and actions of one of his subjects. An educated native has also the advantage of his having a thorough knowledge of the men and things, their peculiar customs and manners, their character and habits, over an outsider."

Sir, in this connection, may I congratulate you for the right move you have made in appointing two eminent sons of the soil as heads of two important departments, the Land Revenue and the Police ? I am just referring to these in order to show that we must try to effect retrenchment wherever possible in a reasonable manner. A perusal of the Retrenchment Committee Report will clearly show that they have recommended retrenchment on the wrong side. They have led to the abolition of the posts of seventy-nine peons, one hundred and sixty-three accountants and about a hundred peons in the Excise Department. The net result of their labours was that about three hundred and fifty posts, carrying salaries less than fifteen rupees a month, were abolished and the means of living of three hundred and fifty families done away with. The amount that they were thus able to save could very well have been saved by making comparatively small cuts in the salaries of the many high-paid officers in the State. The Government have ignored the recommendations for a cut of Rs, 2,70,000 in temporary cut of salaries and are only considering about the reduction of the salaries permanently which would bring a saving of Rs. 4 lakhs. There are also other directions in which the Government could have saved money. The agreement with the K. D. H. P. Company, the Interportal Trade Convention and the Periyar Lease, for example, if reopened, afford good resources for the Travancore Government. Government would do well to take early steps and begin correspondence in regard to these matters and get advantageous terms which we can legitimately hope to get. Sir, it is our duty to realise that we exist for the poor people in the country. I find in the budget several provisions for the safety and security of the Government officers. I do not say that such safeguards are unnecessary. I only say that the Government should extend the same compassionate consideration also to the poor ryots of the villages.

PRESIDENT : Your time is up.

As there is no other member who wishes to speak today we will now adjourn and meet again to-morrow morning at 11 A. M.

The Assembly adjourned at 3. 20 P. M.

K. MADHAVA KURUP,
Secretary to the Sri Mulam Assembly.

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